



## 2.1.030

# College Procurement Policy

Date of last board of trustees review: November 8, 2023

The originator of this policy is the director of Purchasing and Accounts Payable. Questions regarding this policy may be directed to the originator by calling 801-957-4255.

## 1. Policy

All products and services purchased by the college must be procured in compliance with applicable statutes, rules, policies, procedures, and guidelines, regardless of the funding source. In addition, all procurement activities must be conducted in a manner that ensures fair and equitable treatment of all vendors, and fosters broad-based competition in the marketplace.

## 2. References

- A. Suspension and Debarment, 2 C.F.R. § 200.213.
- B. Procurement Standards, 2 C.F.R. §§ 200.317-326.
- C. Retention and Disposition of Records, Utah Code Ann. § 63G-2-604.
- D. Utah Procurement Code, Utah Code Ann. §§ 63G-6a-101–2407.
- E. Utah Public Officers' and Employees' Ethics Act, Utah Code Ann. §§ 67-16-1–15.
- F. Bribery or Offering a Bribe, Utah Code Ann. § 76-8-103.
- G. Receiving or Soliciting Bribe or Bribery by Public Servant, Utah Code Ann. § 76- 8- 105.
- H. Surplus Property, Utah System of Higher Education r. 558.
- I. Purchasing, Utah System of Higher Education r. 571.



## 2.1.030

# College Procurement Procedure

Date of last executive cabinet review: October 24, 2023

The originator of this procedure is the director of Purchasing and Accounts Payable. Questions regarding this procedure may be directed to the originator by calling 801-957-4255.

## 3. Definitions

- A. **Advance Payments:** payments made before the actual receipt and delivery of a procurement item.
- B. **Noncompliant purchase:** a procurement transaction circumventing established purchasing policies and procedures, including a non-requisitioned order placed by a department without Purchasing involvement, purchase order or procurement contract, and supporting procurement documentation and a purchase divided to circumvent procedure.
- C. **Procure or Procurement:** the process of buying, purchasing, renting, leasing, or acquiring a procurement item. It includes the purchasing requisition, vendor selection process, and the award of a procurement contract.
- D. **Procurement Contract:** any contract that includes an expenditure of funds, regardless of amount. Real estate contracts are not considered procurement contracts. Examples include independent contractor, speaker/entertainers, software, consultants, rental agreements (SLCC renting space from external party), and maintenance agreements.
- E. **Procurement Item:** a supply, service, construction, technology, or other item.
- F. **Purchase Order:** a legal, binding written contractual document that reflects a vendor's offer and the college's acceptance of that offer, serving as the college's formal order to purchase a procurement item(s) and setting forth all terms and conditions applicable to that order. A change order amends the original purchase order according to the change(s) outlined in the change order.
- G. **Purchase Requisition:** an initial or proposed request by departments to purchase a procurement item.
- H. **Small Dollar Purchase:** a procurement for which the total cost is less than the small

dollar purchase threshold.

- I. **Small Dollar Purchase Threshold:** the threshold set by Purchasing and Accounts Payable under which departments may procure items by following the [Small Dollar Purchase Guidelines](#).
- J. **Sole Source:** a procurement method where only one supplier can provide the needed procurement item.
- K. **Solicitation:** a request for vendors to provide a quote, bid, or proposal for a procurement item.
- L. **Specification:** description of the physical, functional, quality, nature, and performance characteristics of a supply, service, or construction item to be purchased. Specifications may include a description of requirements for inspecting, testing, preparing, or delivering of a procurement item.
- M. **Substantial Interest:** the ownership, either legally or equitably, by an individual, their spouse, or their minor children, of at least ten percent of the outstanding capital stock of a corporation or a ten percent interest in any other business entity; or the holding of a position in a business entity as an officer, director, or employee.
- N. **Vendor:** a person or company that sells a procurement item.

## 4. Procedures

- A. **Purchasing and Accounts Payable (“Purchasing”) Authority and Responsibility**
  - 1. The president delegates authority over procurement activities and the role of chief procurement officer to the Director of Purchasing and Accounts Payable.
  - 2. The college must procure all procurement items in compliance with applicable statute, rules, guidelines, policies, and procedures, regardless of the funding source, including state appropriated funds, federally appropriated funds, income generated funds, and funds from gifts, grants, and contracts.
  - 3. The college must conduct procurement activities independent of college fundraising endeavors.
  - 4. Purchasing provides all college departments centralized procurement services, including guidance, processing, accountability, and transparency for procuring all products and services the college deems necessary to educate students, conduct the college’s business endeavors, and facilitate the college’s mission.
  - 5. Purchasing must oversee all college purchasing of a procurement item to ensure the purchase meets the department’s specifications and requirements and maximizes value.

## B. College Employee Conduct During Procurement

Individuals who do not comply with college policies when placing procurement orders may become personally liable to the vendor for the contract price and may be subject to corrective action.

## C. Advance Payments

Advance payments may not be made except in certain cases which Purchasing determines appropriate.

## D. Limitations and Restrictions on Procurement

1. The college prohibits officers and employees from using their official capacity for any transaction between the college and a vendor in which the officer or employee has a substantial interest.
2. The college prohibits officers and employees from receiving compensation in addition to their regular college wages due to, or in connection with, any transaction between the college and a vendor in which the officer or employee has a substantial interest.
3. The college prohibits officers and employees from using their position, including the college mailing address, for obtaining goods or materials and reselling those goods and materials for personal gain.
4. The purchase of items from faculty or staff shall be authorized only if:
  - a. established Purchasing processes are followed in compliance with the Utah Public Officers' and Employees' Ethics Act and the college's [Conflict of Interest, External Employment, & Consultations Policy](#); and
  - b. the purchaser provides documented evidence that the purchase price is fair and reasonable.
5. Procurement orders or commitments by faculty or staff members are not binding on the college except as authorized in the [Small Dollar Purchase Guidelines](#), other college policies, or when explicitly approved in writing by Purchasing.

## E. Purchasing Items Produced or Distributed by College Departments

1. The following procurement items produced and distributed by departments must be the selected source of supply if the procurement items meet the requirements of the ordering department:
  - a. Printing services, copy services, and printing the college logo on promotional items from Printing Services.

- b. Mailing services from Mail Services.
- 2. These departments have a right of first refusal. If they are unable to complete any orders, the producing department may:
  - a. contact outside vendors to complete the order; or
  - b. give the ordering department permission to purchase with an outside vendor or work with Purchasing if the amount exceeds the small dollar purchase threshold.

F. Purchases that Require Pre-Approval, Authorization, Coordination, or Oversight

Certain commodities require pre-approval, authorization, coordination, and/or oversight. [A list of these commodities](#) and the overseeing departments are available on the Purchasing website. See [Purchases that Require Pre-Approval](#).

G. Small Dollar Purchases

1. Purchasing Thresholds

- a. Purchasing establishes purchasing thresholds and guidelines which govern purchases under those thresholds in conformity with the Utah Procurement Code.
- b. Purchasing lists [thresholds and guidelines](#) on its website. See [Purchasing Thresholds](#).
- c. Departments may make small dollar purchases according to the [Small Dollar Purchase Guidelines](#) without Purchasing involvement.
  - (1) Departments may select the best-known source without seeking competitive quotes; however, the college encourages departments to gather competitive quotes whenever possible.
  - (2) Departments must include delivery costs in the small dollar purchase threshold.
  - (3) The entire cost of the initial procurement contract must be considered when determining whether a procurement is under a purchasing threshold.

2. Restriction on Artificially Dividing or Splitting a Purchase

- a. No department or employee shall:
  - (1) divide, split, parcel, or otherwise manipulate a larger purchase into multiple purchases to bypass a purchase limit or threshold;
  - (2) direct a vendor to artificially divide an invoice into multiple invoices with

intention to make a higher dollar purchase bypass a purchase limit or threshold.

- b. If an employee divides a purchase or directs a vendor to divide a purchase, the college may:
  - (1) require the employee attend additional procurement training;
  - (2) report the employee to the Attorney General's Office; and/or
  - (3) take corrective action against the employee.

#### H. Purchases Exceeding the Small Dollar Purchase Threshold

##### 1. Authority

- a. Purchasing has sole authority to procure all products and services that exceed the small dollar purchase threshold.
- b. Purchasing establishes guidelines for processing purchases over the small dollar purchase threshold.
- c. Purchasing works with college departments to ensure all orders comply with college policies, state and federal codes, and departmental requirements.

##### 2. Purchase Requisitions

- a. Departments must submit a purchase requisition to initiate the procurement process.
- b. Procurement items that do not require a purchase requisition include, but are not limited to:
  - (1) purchases made in accordance with the Payment Request Guidelines;
  - (2) salaries and wages;
  - (3) travel; and
  - (4) college departments that utilize inter-department billing.
- c. Departments must create and approve a purchase requisition before Purchasing can create a purchase order.
- d. Purchasing must create a purchase order before an order is placed.
- e. Purchase requisitions are not purchase orders. Departments must not use or represent a purchase requisition as a purchase order.

##### 3. Specifications

- a. Departments must include comprehensive specifications about the supply, service, or construction to be procured in the purchase requisition. The department must draft the specifications, not a potential supplier.
  - (1) The specifications must describe the features, functions and required quality level.
  - (2) The specifications must not be unnecessarily restrictive intended to limit competition.
  - (3) External individuals or entities who participate in writing a specification are not eligible to participate in or receive a procurement contract award for any college procurement using that specification. The Purchasing director may make exceptions.
- b. Purchasing assists departments in the preparing, revising, and maintaining college required specifications for the procurement item.
- c. Purchasing ensures specifications encourage competition while describing the procurement item needed.
- d. Departments must follow the college [Accessibility Purchasing Guidelines](#) when making purchases.

#### 4. Solicitations

- a. In conformity with the Utah Procurement Code, Purchasing establishes guidelines to govern solicitations.
- b. The solicitation process includes the preparation, issuance, notification, receiving, opening, accepting, evaluating, negotiating, and awarding contracts.
- c. Procurements made utilizing a current contract recognized by Purchasing do not require a solicitation.

#### 5. Receiving

- a. Purchasing and Receiving may develop rules and guidelines for the delivery and receipt of items, including requirements for delivery to Central Receiving.
- b. Departments must ensure that the receipt of items is recorded in accordance with Receiving guidelines.
- c. Purchasing supports communication between departments and vendors to resolve errors and disputes with purchase orders and contracts. Departments are responsible for all communication for orders without a purchase order or contract.

## 6. Emergency Purchase

- a. An emergency condition is a situation which creates a threat to public health, welfare, or safety. It may arise from natural disasters, epidemics, riots, equipment failures, or other reasons determined by college administration.
- b. An emergency condition creates an immediate and serious need for a procurement item that cannot be met through normal procurement procedures.
- c. The college limits emergency procurement requests to only items immediately necessary to address the emergency.
- d. When an emergency condition exists, the department must contact Purchasing with the emergency purchase request.
- e. After reviewing the facts associated with the emergency condition, Purchasing may give the department verbal approval authorizing the vendor to perform the requested service or provide the requested procurement items. Competition, when practicable, must be sought.
- f. Departments must follow emergency procurement requests with written supporting documentation that describes the nature of the emergency.

## 7. Sole Source Supply or Service

- a. When a supply or service is available from only one source in the marketplace, the product or service may be purchased as a sole source.
- b. If a department believes a product or service is a sole source, the department may submit a sole source request to Purchasing by using the [Sole Source Justification Form](#).
  - (1) Purchasing reviews the sole source requests to determine if the purchases are justified as a sole source.
  - (2) Purchasing may not approve sole source requests with insufficient justification or rationale.
  - (3) If Purchasing finds reasonable doubt or insufficient sole source justification, they will conduct a solicitation.

## I. Limited Purchase Delegation

Purchasing may issue a limited purchase delegation on a case-by-case basis to non-Purchasing personnel in external departments for the purpose of delegating limited purchasing authority for a specific supply and/or service.

## J. Acquisition of Real Property and Facilities



All real property and facilities for college use will be secured by purchase, lease, rental, or donation through the vice president for Finance and Administration in full compliance with all state laws and regulations.

**K. Noncompliant Purchase**

1. A noncompliant purchase may be rescinded or nullified. If a vendor charges a restocking fee, the department is responsible for the fee.
2. When a noncompliant purchase is identified, the employee that made the noncompliant purchase must provide written documentation detailing the facts associated with the purchase. The noncompliant purchase documentation must accompany the invoice, and copies of the documentation must be submitted to the departmental budget center manager, the cognizant vice president, and Purchasing.
3. The college may require an employee who makes a noncompliant purchase to complete additional procurement training.
4. The college may take disciplinary action against an employee with a history of repeated noncompliant purchases.